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ANDEAN PACT DRAFTS AMENDMENT TO CARTAGENA ACCORD

PY311516 Madrid EFE in Spanish 1902 GMT 16 Dec 86

[Text] Lima, 16 Dec (EFE) -- The Andean Pact today "successfully" agreed on a basic draft amendment to reorganize integration, according to a declaration signed by the Andean Pact members. According to the declaration, the meeting, which began on 11 December, successfully fulfilled the goal of making the Cartagena Accord, the pact's official name, more modern and flexible.

The declaration adds that "the prospects for subregional trade and the development of links of friendship and cooperation among the country members, in addition to the possibilities of joint action with other Latin American countries have been strengthened."

The declaration also indicates that at the conclusion of the 48th special meeting of the commission, which is the pact's highest organization, several agreements were reached and "final approval will be made during January."

In order to complete the draft amendments, an understanding was reached on the following issues discussed in the 2 years of negotiations: special regulations for Bolivia and Ecuador, which are considered countries of lesser relative development; regulation of agriculture; safety clauses; physical integration; recognition of the Andean Parliamant as the pact's main organization; improved bargaining power for Bolivia, Ecuador and the other members; industrial programs; lists of exceptions; and economic and social cooperation.

The declaration also says that the pact members, at the request of the commission, "in addition to finding a legal solution to the short-term trade problems also decided to contribute to the consolidation and revitalization of subregional trade while the basic draft amendment goes into effect."

Concerning changes to some decisions, amendments were made on the regulations of the commission and on Decision 24, which is a regulation dealing with foreign capital.

The text of the amendment of this regulation, which is the most controversial of all the pact's regulations, did not go any further than "a preliminary draft."

A decision was also made to abolish Decision 49 on industrial development and Decision 120 on auto industry programs once the amendment goes into effect.

The Andean Pact countries also reiterated their commitment for a preferential treatment for Bolivia.

The declaration also states that "it is necessary and appropriate to immediately set a date for a meeting of the pact's alternate members in Lima, where the Andean Pact headquarters is located, as of 14 January."

The declaration points out that this meeting will serve "to improve and finish" the new articles to be approved by the plenipotentiaries appointed by their governments. The original plan was to have the draft amendment approved by the foreign ministers of the Andean Pact countries during a meeting on the Ecuadoran island of Galapagos, but the declaration says nothing about this point.

GROUP OF 6 ISSUES DISARMAMENT DECLARATION

PY311135 Buenos Aires TELAM in Spanish 1145 GMT 30 Dec 86

[Text] Buenos Aires, 30 Dec (TELAM) -- The heads of state of the Group of 6 have called upon the leaders of the USSR and the United States to resume comprehensive talks next year, without further delay, in order to bring the arms race to a halt and prevent it from reaching outer space, with the final objective of achieving the complete and permanent elimination of nuclear weapons.

Here is the text of the document released in Buenos Aires and signed by Argentine President Rual Alfonsin, Swedish Prime Minister Ingvar Carlsson, former Tanzanian President Julius Nyerere, Indian Prime Minister Rajiv Gandhi, Greek Prime Minister Andreas Papandreou, and Mexican President Miguel de la Madrid:

1. As the year nears its end, we (?once again) want to emphasize that there is the threat of nuclear war, and that such a war will affect all mankind.

At the same time, we want to emphasize that 1987 will give us an opportunity to reach an accord for preserving our security.

2. In Reykjavik, President Reagan and General Secretary Gorbachev were very close to reaching agreements which could have been historical because of their scope and significance, and because they could have paved the way for the total elimination of nuclear weapons. However, the summit produced a widespread feeling of disappointment, because even though the promising proposals and initiatives put forward by the two leaders involved a significant step, no accord was reached because of the disagreement over space systems.

3. In any event, the Reykjavik summit has shown that if there is political vision and if the necessary commitments are assumed, it is possible to overcome the old doctrines and find new ways in the areas of nuclear weapon control and disarmament.

It is encouraging to know that the proposals put forward in Reykjavik have not yet been withdrawn from the negotiating table. Consequently, in 1987 the United States and the USSR will have an opportunity to agree on several major disarmament measures, including substantial nuclear reductions.

We urge the leaders of these two nations not to waste this opportunity, to work on the basis of what has been accomplished in Reykjavik and to avoid weakening the commitments assumed in that meeting.

If no agreement is reached, the nuclear race will inevitably continue and the survival of mankind will become increasingly uncertain.

4. For all these reasons, over the past 2 years in New Delhi, Ixtapa, and on other occasions, we have asked that nuclear tests be immediately halted, that the production and development of all nuclear weapons be stopped, and that measures be taken to prevent the arms race from extending into outer space.

These demands, which are still valid, have become more urgent in the light of the latest developments. In this regard, the problem of implementing a balanced reduction of conventional forces in Europe must be properly solved.

5. In Ixtapa, we pointed out the unfortunate and dangerous trend of disregarding the existing treaties to suit the interests of individual nations. At this critical moment, we reiterate that both the letter and the spirit of the treaties, especially those dealing with disarmament and the reduction of weapons, must be respected.

We urge the U.S. Government to reconsider its decision to disregard the terms of the SALT II treaty.

6. We have learned about the USSR's recent decision to end its unilateral ban on nuclear tests and resume such tests after the first U.S. nuclear detonation in 1987. We deplore this decision, and we hope it is not irreversible.

We believe there is still time for a bilateral ban. No nuclear test by any country can be justified.

We once again urge the United States to reconsider its nuclear policy, so that a bilateral ban can be agreed upon.

Our offer [words indistinct] to verify that the ban is actually complied with remains. We are ready to implement it at any time.

7. We have stressed that the development of space weapons would start an unprecedented arms race and increase the risk of a nuclear war.

Negotiations should focus on the elimination of nuclear weapons, rather than on (nuclear reduction) programs that have been designed with the idea that mankind has to live under the threat of nuclear weapons.

8. As the year nears its end, we urge the leaders of the USSR and the United States to resume comprehensive talks next year, without further delay, so that they may fulfill the objective which they claim to be pursuing: to bring the arms race to a halt and prevent it from reaching into outer space, with the final objective of achieving the complete and permanent elimination of nuclear weapons.

The international community hopes that the superpowers will discharge the responsibilities which they have assumed.

SUPREME COURT RULES ON JUNTA MEMBERS' SENTENCES

PY311942 Buenos Aires BUENOS AIRES HERALD in English 31 Dec 86 p 1

[Text] (NA-DYN) -- The Supreme Court yesterday slightly reduced the sentences handed down to two of the nine members of the first three military juntas for violations of human rights but confirmed the life sentences clamped by the Federal Appeals Court on General Jorge Videla and Admiral Emilio Massera.

The court cut down the sentences handed to former de facto President Roberto Viola from 17 years to 16 years and six months and to former Air Force commander Brigadier Orlando Agosti from four years to three years and three months.

It also confirmed the eight-year prison sentence handed down to former Navy commander Admiral Armando Lambruschini and the acquittals of former de facto President Leopoldo Galtieri, former Army Commander Domingo Graffigna, former Air Force commander Brigadier Basilio Lami Dozo and former Navy commander Admiral Jorge Anaya.

The Supreme Court also confirmed the lower court's ruling that all those convicted be stripped of their rank and be banned for life from holding public office. They were also ordered to pay the costs of their trials.

The reduction of Viola's sentence was because he was not accused by the prosecution of two illegal arrests which the appeals court took into account in its decision whilst Agosti's sentence was cut down because three of the charges against him came under the statute of limitations.

The confirmation of Videla's sentence was based on his responsibility, although he did not have a direct intervention, in proven charges of 66 wanton homicides, four cases of torture followed by death, 93 cases of torture, 306 illegal arrests and 26 cases of theft.

Massera's sentence was based on similar responsibility in three homicides, 12 cases of torture, 69 cases of illegal arrest and seven cases of theft.

Similar charges were levied against Agosti, Viola and Lambruschini.

The reduction of the sentences of Viola and Agosti were decided on a 3-2 vote with Supreme Court members Enrique Petracchi and Jorge Bacque voting to confirm the original sentences.

BRIEFS

RADIO STATION INAUGURATED -- Viedma, Rio Negro, 19 Dec (DYN) -- The station LRA-2 Viedma Radio Nacional, affiliated with the Official Broadcasting Service [SOR] was dedicated on 12 December. [Excerpt] [Buenos Aires DYN in Spanish 0035 GMT 20 Dec 86 PY]

COOPERATION AGREEMENT SIGNED -- Buenos Aires, 22 Dec (NA) -- Horacio Domingorena, president of Aerolineas Argentinas and Helio Smith, president of Varig Cruzeiro of Brazil, today signed a cooperation agreement in Buenos Aires. The agreement calls for cooperation in the areas of commerce and fares, personnel training, and reservations systems. This agreement is a follow-up to existing agreements for onboard and ramp-supply services. [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1705 GMT 22 Dec 86 PY]

THIRD QUARTER GDP -- The Economy Ministry has reported that the GDP grew by 11.8 percent during the 3d quarter of 1986 compared with the same period last year, and that exports have decreased by 3.5 percent during the first three quarters of this year compared with the same period last year. [Excerpts] [Buenos Aires LA PRENSA IN Spanish 21 Dec 86 Section 2, p 1]

MINEWORKERS, GOVERNMENT SIGN AGREEMENT

PY011801 Paris AFP in Spanish 1620 GMT 1 Jan 87

[Text] La Paz, 1 Jan (AFP) -- Information Minister Herman Antelo announced today that an agreement of the payment of indemnities and the recognition of rights has put an end to the conflict between over 10,000 dismissed mineworkers and the Bolivian Government.

Antelo said that the dismissed workers accepted the payment offers made by the ministers of the economic area, as well as the conditions of retirements from the companies belonging to the Mining Corporation of Bolivia (Comibol) that have been closed. He added that the government is willing to seek fair solutions to all the problems that may appear in the labor sector.

In turn, union leaders of the dismissed mineworkers stated that not all the requested conditions have been attained, but that the signing of an agreement has been achieved to put an end to the conflict.

About 3,000 mineworkers and their families held a hunger strike demanding better dismissal conditions, and the Bolivian Labor Confederation called a general 24-hour strike, but these measures where then suspended to facilitate the agreement that has now been reached.

CHILEAN-U.S. TEAM DIRECTS ECONOMIC POLICY

PY301832 Paris AFP in Spanish 1503 GMT 29 Dec 86

[Text] La Paz, 29 Dec (AFP) -- It was revealed today in La Paz that Bolivia has learned with surprise that the country's economic policy is being directed not only by U.S. economist Jeffry Sachs (which was already known), but also by Chilean economist Felipe Larrain.

The revelation was made in an interview granted by Larrain to EL MERCURIO of Santiago on 27 December, and which is reproduced in today's issue of the La Paz newspaper HOY.

In the interview, Larrain explains that he signed a contract with Sachs, since both have a degree from Harvard University, to draw up an economic program for presidential candidate Hugo Banzer Suarez of the National Democratic Action (ADN), at the beginning of 1985.

The Chilean economist said he thought his work had finished in August 1985 when President Victor Paz Estenssoro of the Nationalist Revolutionary Movement (MNR) beat Banzer in the election decided in the National Congress. However, when the MNR and ADN signed the Pact for Democracy, Paz Estenssoro adopted the neoliberal program drafted by Sachs and Larrain, with which the hyperinflationary process, which threatened to reach an annual rate of 40,000 percent [figure as received] was controlled.

When Larrain was asked about the social cost of the program and the inexorable deterioration of the strategic state enterprises, he answered: I do not think it is excessive.

MESQUITA ASSUMES OMBUDSMAN, RIGHTS PANEL ROLES

PY242232 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Dec 86

[Excerpt] President Sarney yesterday installed the president of the Commission for the Defense of Citizen's Rights [Comissao de Defesa dos Direitos do Cidadao -- Codici], former Planalto Palace spokesman Fernando Cesar Mesquita.

In an impromptu speech, President Sarney noted the qualities of the former spokesman. He said that Mesquita is efficient and has the necessary qualities to perform his new obligations well. Concerning the commission, Sarney said that, within the framework of democracy, it is extremely important. Sarney added that the commission will expeditiously channel the Brazilian people's opinions of the administration, helping it to stay on course.

At the end of the ceremony, Fernando Cesar Mesquita spoke to accredited journalists as the new Republic's ombudsman [ouvidor general de republica], and commented on the main objective for the Commission for the Defense of Citizen's Rights. [passage omitted]

GOVERNORS REBUFF MONTORO'S PRESIDENTIAL PLANS

PY260145 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Dec 86 p 4

[Text] At least this time, Andre Franco Montoro's campaign for president of the nation did not take off. The current governor of Sao Paulo managed to assemble for 10 hours 20 incumbent, former and future governors of 14 states, but all of them made it a point to avoid discussing politics. Neither did they want to sign a final paper that Montoro had proposed to give the meeting some meaning. After the meeting, Montoro held a press conference and reported that the governors who attended the meeting agreed on the need for broader administrative decentralization, tax reform, further decentralization of agrarian reform, and maintenance of the nation's economic development without harming current salary levels.

However, they refused to discuss joint actions aimed at better organizing themselves to defend these common interests. A governor-elect later reported that everyone present was fully aware that Montoro was using the meeting to strengthen his position of leadership among the governors in opposition to Ulysses Guimaraes' leadership of the party.

None of those present voiced support for Montoro's ambition to succeed Jose Sarney as president. Worse still, Sao Paulo Governor-elect Orestes Quercia went as far as to admit the possibility of Sarney serving his full 6-year term in office. The only governors-elect from big states present at the meeting were Quercia, Pedro Simon (Rio Grande do Sul), and Waldir Pires (Bahia).

PINOCHET SPEAKS ON EXILES, PRISON, PARTY BILLS

PY010104 Santiago Television Nacional de Chile in Spanish 2335 GMT 31 Dec 86

[Year-end speech by President Augusto Pinochet from La Moneda Palace in Santiago, time not given -- recorded]

[Text] As the year 1986 comes to an end, I want to address my countrymen, affectionately greet them, and express my best wishes for the year 1987 to each one of you and your families in my capacity as president of the Republic.

During 1986, military officers have accepted, responsibly and with will and effort, the challenge of bringing about the spiritual and material fulfillment to which we are entitled as a free nation. Difficulty and adversity have not been absent. Everyone, in the silence of his conscience and in the peace of his home, will clearly assess our successes and failures. In this evaluation, we will find the motivation that nourishes our strength and the integrity with which to start the year 1987 with decision and optimism.

In the economic area, we have experienced real growth, especially in the production sectors which, in addition to creating the conditions for progress and development, have also created important sources of stable employment. This, plus the control of inflation, is an achievement that represents direct benefits for those who have less.

In the social area, important initiatives have been taken to improve the levels of education and health. Projects with deep social content have been carried out, and important efforts have been made so that large numbers of Chileans can have access to ownership through the program of popular capitalism and through the housing plan. We will continue down the road we have chosen and nothing will stand in the way of the commitment we have assumed with Chile and the future.

Chilean men and women: The thoughts that the last hours of the year 1986 bring to mind lead us to consider events of the greatest seriousness, which represent a threat to the freedom of Chile and the democracy we are building. The clandestine introduction of a large number of weapons into the national territory and the cowardly attempt on my life, including a long list of terrorist attacks that cut down the lives of a significant number of countrymen and damaged a large amount of public and private property, are part of a continuous plan to bring down this government as the preparatory step to unleash the revolutionary violence of the Marxist dictatorship. This plan has been aided by the political irresponsibility of some sectors. As self-styled defenders of democracy and freedom, they have promoted the ideas of social mobilization and the ungovernability of the country, thus favoring the presence of the communists and becoming the direct cause of conflicts that threatened order, personal security, and public and private property.

As we are about to begin a new year and we are called to cast our eyes to the future, I call on my countrymen to meditate deeply about these negative events. In accordance with our will, let us not allow these facts to encourage hatred but rather let us dispel rancor. However, these events should serve as a clear and categorical warning to forge the sentiment of unity of all Chileans around the supreme interests of a nation and the values that have characterized us as a people who love order, peace, and freedom. Inspired by this lofty purpose, I have resolved not to renew the state of siege in the country because I consider that this measure of exception fulfilled its objectives when it was applied.

On the other hand, I must recall that the government has always sought to create conditions for the unification of all Chileans, constantly calling on its adversaries -- those who favor violence as a political instrument and class struggle and confrontation to attain their revolutionary purposes -- to change their attitude.

In order to demonstrate the spirit of national unity that inspires us, measures have been adopted to lift the prohibition on entering the country for most of the people who were forbidden to so. This prohibition, however, will be maintained for those people who pose a serious threat to national coexistence.

In this sense, I have instructed the interior minister to have the special government human rights advisory committee make proposals to lift gradually -- within 90 days -- the banishment order against anyone who deserves to return to the country, in order to reduce to a minimum the number of exiled Chileans who persist in their attitude.

The government, in keeping with its unyielding responsibility to safeguard national order and security, will adopt all measures to prevent those exiles allowed to return from disturbing domestic peace and security.

Meanwhile, in order to improve the situation of those people deprived of their freedom for having committed certain crimes, I have decided to send to the legislative branch a bill reducing their sentence by 1 year. I will ask the legislative branch to be as expeditious as possible in approving this initiative. The regulations of this bill will be publicly announced by the interior minister.

Chilean men and women, the year that is ending has been fundamental in consolidating important institutional achievements. We have made significant progress that reflects our indomitable will to build the democracy requested by the citizenry in 1980.

Our administration's efforts concentrated on strengthening the institutional basis of our Constitution. We have made progress toward fulfilling our constitutional objectives.

In keeping with this purpose, I have sent the honorable Government Junta an observation on the political parties bill which will offer a solution to the points over which there have been disagreements, thus facilitating the final approval of this bill. I have thus requested that the legislative branch treat this subject expeditiously.

The valuable suggestions on this bill sent to us during its study phase by representatives of different currents of opinions, either regular citizens or academic experts, constitute a patriotic response to the government's call to contribute to improving this bill. In this manner, as I said in my presidential message on 11 September, the political parties bill will be approved legally by the beginning of 1987.

Fellow countrymen, ministers, generals, officers, and undersecretaries, the satisfaction of having fulfilled our duty, and our positive national economic, social, and political results are important elements that make us look into the future with faith that we will fulfill our objectives. Our conviction regarding the high objectives we struggle for and our will to make a greater effort have been strengthened as we saw our country experiencing a promising situation based on stable government leadership and on the work of all Chileans.

Looking to the coming months, I can mention the visit His Holiness John Paul II will pay to this country as an occasion for all of us to express our deepest recognition of the person who, as Chileans have seen, is the true messenger of peace. I hope that the reflections this visit will engender will help to show, as His Holiness has done with clarity and foresight, the danger of that ill-boding ideology of hatred, lies, and death, which has already subdued many free people.

In closing my greetings, I want to express to you and my countrymen my deepest belief that we will fulfill our ideal of liberty, progress, order, and peace. So I ask you to work together for the greatness of our dear fatherland.

To each of you and each Chilean family, I reiterate my sentiments of fraternal recognition and affection, as well as my best wishes for a new year full of good fortune. Long live Chile!

HOODED INDIVIDUALS ATTACK MIGRATION OFFICE

PY312200 Santiago Radio Chilena in Spanish 1600 GMT 31 Dec 86

[Excerpt] At 1100 this morning, a group of armed and hooded individuals attacked the Chilean office of the Intergovernmental Migrations Committee [Comite Intergubernamental de Migraciones -- CIM], whose headquarters are in Geneva. The attackers raided the CIM offices at 1224 Pedro Valdivia Avenue, and overpowered 20 members of the staff, and stole jewelry, money, checkbooks, and other valuables. The value of the losses has not yet been assessed.

The individuals, who did not harm the staff, escapted in a CIM car with diplomatic license plates.

Carabineros of the Eastern Sector conducted intensive operations to find the attackers.

Several representatives of international organizations and Foreign Ministry Protocol Director Jose Maria Gallardo visited the CIM offices. Gallardo said that he would tell Foreign Minister Jaime del Valle about the attack, and left the site by car. [passage omitted]

11 September Group Responsible

PY010202 Paris AFP in Spanish 0128 GMT 1 Jan 87

[Excerpts] Santiago, 31 Dec (AFP) -- It has been officially reported that the ultra-rightist 11 September Commando has claimed responsibility for the assault and robbery of the offices of the Intergovernmental Migrations Committee (CIM), which was carried out today in Santiago, Chile. [passage omitted]

According to the CIM, the 11 September Commando claimed responsibility for the assault through a telephone call to its offices a few hours after the attack took place. The members of the commando thoroughly inspected the safe, the files, the furniture and the personal belongings of the employees. [passage omitted]

MERINO EXPRESSES DOUBTS ABOUT PACIFICATION

PY312032 Paris AFP in Spanish 1411 GMT 31 Dec 86

[Text] Santiago, 31 Dec (AFP) -- Admiral Jose Toribio Merino, the Navy commander in chief and a member of the Government Junta, said last night that the coming visit of pope John Paul II does not pave the way for a broad pacification between the military regime and its enemies in Chile.

The pope will come to Chile in April 1987 and, within the context of the tour, the church has made repeated calls for harmony to stop the bloody and relentless confrontation between the government and the opposition.

In 1986, 47 civilians and military men were killed in acts of political violence. Among those acts is the attack in September against the president, General Augusto Pinochet, as he was about to celebrate his 13th anniversary in power. The clandestine FPMR [Manuel Rodriguez Patriotic Front], which is regarded by the government as the armed branch of the Communist Party, claimed responsibility for the attack.

Merino stated that in Chile, as in the rest of the world, there is a group of human beings and a group of humanoids. The latter belong to the communist parties: atheists, materialists, tools of the state... Humanoids, unlike human beings, do not realize that they have a transcendental and immortal spirit, and there is no possible reconciliation between the two of them, Merino added.

During a press conference last night Merino said: I do not believe that reconciliation will be possible when the pope arrives, as some people tend to believe. In this regard, Merino emphasized: After I have disagreed with someone, I make peace when there are no longer any points of disagreement.

Otherwise, Merino did not rule out talks with members of the democratic opposition to the Pinochet regime. We remain open for talks because it is interesting to exchange views with people who are capable of thinking and speaking in terms understood by human beings and not by humanoids, Adm Merino concluded.

State of Siege Not Extended

PY311254 Santiago Domestic Service in Spanish 0930 GMT 31 Dec 86

[Text] Admiral Jose Toribio Merino has stated that the state of siege which expires on 6 January will not be extended. Adm Merino made this statement when asked if the state of siege would be in force during the pope's visit to Chile. Merino added that the state of siege could be extended only if special events justify it. Merino pointed out that the state of siege is only in force in Santiago and that it has been lifted in practically the rest of the country. He added that this exceptional measure lasts 30 days and will expire in the next few days.

Asked about the Catholic Church's petition for an end of exile, Adm Merino said that this is a legal and institutional measure which governments use to defend themselves from undesirable people. Merino said that he agreed with the government's decision to allow UN special observer Fernado Volio to return to Chile.

GOVERNMENT AUTHORIZES VISIT OF UN OBSERVER VOLIO

PY 291734 Santiago Domestic Service in Spanish 1600 GMT 29 Dec 86

[Text] The Foreign Ministry has released an official communique which states that it has authorized the visit of the special UN observer Fernando Volio. Fernando Volio's second visit to Chile may take place in mid April. The communique indicates that the authorization has been conveyed to the UN special observer. The communique adds that the timing and duration of the visit will be decied by common agreement, and that the visit may take place next April.

COMMUNIQUE ISSUED ON CHILEAN-BOLIVIAN MEETING

PY241616 Santiago Domestic Service in Spanish 0930 GMT 24 Dec 86

[Text] In Santiago, important agreement on technical matters for Chilean-Bolivian integration were achieved, and viewpoints on stronger ties between the two countries were exchanged.

This announcement was made in an official Foreign Ministry communique, which stated that the presidents of the two delegations reported in a document on the results of their task.

The communique states tha the Chilean-Bolivian commission reviewed and took note of the progress achieved on the matters discussed by the foreign ministers in September 1986. The communique adds that the commission verified substantial progress on the agreement and a stronger willingness to build grain silos in the cities of Arica and Antofagasta. The commission noted the willingness of the management of the railroad linking Arica with La Paz and La Paz with Antofagasta to contribute in the best possible fashion to solving problems related to the silos. It was agreed that the construction of the silos in thse cities would be reviewed in light of a comprehensive solution to the problem.

Elsewhere, it noted with satisfaction that work for improving and paving some sectors in Chilean territory of the international highway linking the cities of La Paz, Paracamaya, Tambo Quemado, and Arica will begin in 1987.

The commission noted the willingness of the Chilean authorities to negotiate a rebate in the port fees for cargo going to and from Bolivia and to extend the entry deadline being granted by the customs house under the temporary entry system for cargo vehicles coming from Bolivia.

The two delegations agreed on the appropriateness that [words indistinct] of Bolivian workers with an irregular status, who are conducting activities in northern Chile, to make an effort to normalize their status -- that is, to have the appropriate work contracts.

It was agreed that in January 1987 a meeting between businessmen and the proper authorities from the two countries will be held in La Paz.

In conclusion, the commission, encouraged by the progress achieved, agreed to give permanent status to its functions and to hold a third meeting in March 1987.

M-19 INTERRUPTS BARCO'S TELEVISED SPEECH

PA020350 Paris AFP in Spanish 0252 GMT 2 Jan 87

[Text] Bogota, 1 Jan (AFP) -- This evening the Colombian guerrilla movement M-19 interrupted a New Year's television speech to the nation delivered by President Virgilio Barco. The sound was interrupted on four occasions in the Bogota downtown area where AFP has its offices.

The interference had its origin in what its authors identified as Radio Venceremos Television, Free Voice of the Colombian People and the 19 April Movement [Radio Venceremos Television, Voz Liber del Pueblo Colombiano y del Movimiento 19 de Abril]. The interference began with national anthem music accompanied by a stanza that does not form part of the anthem. This was followed by the sound of machine-gun fire, a noise that was repeated at the end.

A man and a woman then alternated in shouting slogans reaffirming the decision of that organization to continue its activities. They repeated the refrain: "A new year, a new fatherland. This year the struggle will be greater because there is a greater will."

They also made demands in favor of the dispossessed classes in fields of wages, health, education, housing, and unemployment.

The extremists' proclamation concluded with a call to all Colombians to unite efforts for the construction of a new fatherland.

ARMY CONFIRMS ARREST OF TOP GUERRILLA LEADER

PA011751 Hamburg DPA in Spanish 1610 GMT 1 Jan 87

[Text] Bogota, 1 Jan (DPA) -- The Colombian Army today confirmed that a man arrested during the past few hours in the southwestern city of Palmira is one of the country's main guerrilla leaders.

Fernando Erazo Murcia, one of the main M-19 leaders and commander of a column of the National Guerrilla Coordinating Board (CNG), was surprised by the authorities while drinking at a public establishment in Palmira.

It was learned that Erazo Murcia had replaced Carlos Pizarro Leon-Gomez as head of the column that operates in Colombia's southwestern region and that he conducted several insurgent actions, including the occupation of Inza, Belalcazar, and Buenos Aires. Erazo Murcia had previously commanded the actions to smuggle weapons into the country. He was one of the survivors in the famous "Karina" case, when that vessel sank while transporting a large [words indistinct].

According to the reports, the seven individuals who were with Erazo Murica at the time of his arrest are only occasional friends who are not involved in subversive activities. Erazo Murcia was transferred to the neighboring town of Buga, amid strict security measures.

AUTHORITIES CONFISCATE WEAPONS, COCAINE IN RAIDS

PA011304 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 31 Dec 86

[Text] Four people were killed during a raid on a residence in Valparaiso, Caqueta, where 3 kg of cocaine and various weapons, such as rifles, shotguns, grenades, as well as ammunition, were confiscated. In the past few hours, raids have been executed in various places of the country.

Acting Defense Minister General Manuel Guerrero Paz has confirmed that those detained during raids over the past few hours in several places do not include people suspected of directly or indirectly participating in the murder of EL ESPECTADOR director Guillermo Cano or any of the hoodlum leaders mentioned in the list of 124 that the government ordered arrested.

Several important raids have been executed during the past few hours. The first of them was carried out by marines attached to Operational Command 11. In a raid in Hacienda Villa Alegre, Buenos Aires corregimiento, Monteria municipality, authorities detained 22 people and confiscated 8 Uzi submachine guns, 2 shotguns, 11 long .38 cal revolvers, and 2 pistols. In addition, according to the latest information, the 13th Brigade raided a plantation (criadero) in Cajica, where the military detained one person and seized 6 weapons and 87 cartridges of various calibers. In Villa Julia, Chia, one person was detained and 18 weapons and 1,726 cartridges of various calibers, 2 bulletproof vests, and a safe still unopened were confiscated.

Also in the past few hours, the national police in Hacienda Los Andes, La Tribuna hamlet, Pacatativa municipality, arrested four people and confiscated 2 weapons, 17 cartridges of various calibers, seven 55-gallon drums containing acetone, eightyfive 5-gallon containers with acetone, and 1 liter of hydrochloric acid.

ARMY, REBELS CLASH IN SANTANDER: 4 DEAD

PA300058 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Dec 86

[Text] Seven clashes have occurred during the last 7 hours between San Vicente and El Carmen, Santander Department. As a result of this, two guerrillas and two soldiers died, and three sergeants major were wounded. Also, one helicopter was hit by gunfire and a bridge was blown up during the actions.

BRIEFS

OIL EXPORTS INCREASE -- Bogota, 16 Dec (REUTER) -- A spokesman for the Colombian Petroleum Enterprise, Ecopetrol, today reported that despite the rebel attacks on the country's main oil pipeline, oil exports have reached a record high of 160,000 barrels per day. Meanwhile, Colombia's November oil production reached a record high of 364,416 barrels per day. [Summary] [Buenos Aires REUTER in Spanish 0219 GMT 17 Dec 86 PA]

WAGNER VIEWS ARMS TALKS, DIPLOMATIC ACHIEVEMENTS

PY241745 Lima Radioprograms del Peru in Spanish 1300 GMT 23 Dec 86

[Interview with Foreign Minister Allan Wagner Tizon by reporters Humberto Matinez (Morossini) and Jesus Miguel Calderon during the "Ampliacion de Noticias" program; time and place not given; -- recorded]

[Excerpts] [Question] Sir, can you confirm whether early next year Peru will receive the facilities which Chile has built in Arica, in keeping with terms of the 1929 Protocol?

[Wagner Tizon] That is what the Chilean Foreign Minister told me during a technical stopover I made in Santiago on the way back from Rio de Janeiro, where the Contadora Group and the Contadora Support Group held their meetings. [passage omitted]

[Question] Mr Minister, a very successful effort began this year in connection with the talks between Chilean and Peruvian military authorities seeking an accord to restrict military spending, but the talks were suspended. Will these talks be reinitiated? It has been said that the joint commands of other countries of the region would join in. Will this happen next year, sir?

[Wagner Tizon] Yes. Our objective is to continue with the talks, not only with Chile, which has been considered as a first step, but we expect that other countries will gradually join in so that we can fulfill President Alan Garcia's objective of a regional accord to restrict military spending.

[Question] Sir, will Peru contact the military authorities of other countries in 1987, as it did with Chilean commanders?

[Wagner Tizon] That is our objective.

[Question] Mr Foreign Minister, in connection with the reduction of military spending, we would like to refer to a transaction that was agreed upon before the purchase of the 12 Mirages by Peru. Chile has just purchased a new warship which, if I am not wrong, will be arriving in Chile tomorrow. Chilean Rear Admiral Jose Toribio Merino has clearly stated that this ship will improve the Chilean fleet. With this situation in mind, can we say that there is a trend to agree on disarmament?

[Wagner Tizon] Well, the reduction of military spending is closely linked to the security and defense requirements that each country sets for itself, and with the development plans and the use of funds for development purposes. This is a process which governments must first encourage from a political viewpoint, so that it may lead to a change in the security requirements and in the defensive structure which each country considers essential. This must be regarded as a process which the Chilean Government as well as other chiefs of states of the region are implementing. There is agreement over the need to pursue the same objective. This is a slow process in which every step must be carefully planned, so that at no time should any country feel that its security is being jeopardized. Therefore, this process calls for patient, unhurried, and persistent efforts.

[Question] Mr Minister, we have our own opinion on the performance of Peruvian diplomacy in 1986, which has been in your hands. Can you give us an opinion on Peru's most outstanding diplomatic success in 1986?

[Wagner Tizon] Look, I believe it is the people who have to pass judgment on the achievements of Peruvian diplomacy. I would say that the most outstanding achievements are, first, the new policy with our neighboring countries which has yielded clear results from the viewpoint of long-term cooperation. Second, I will mention a number of multilateral initiatives which Peru has put forward, among them those having to do with the debt, disarmament, and the ban on nuclear tests. President Garcia's outstanding performance within the Nonaligned Movement has consolidated those initiatives, which have also been reflected in UN debates and resolutions.

[Question] One last question, Sir. You are one of the brightest Peruvian career diplomats. In which embassy do you think you could best perform as a diplomat?

[Wagner Tizon] The best embassy would be the one chosen by the president, at the time he feels he should appoint a new foreign minister.

[Question] Sir, do you think that moment will come soon?

[Wagner Tizon] That question can only be answered by the president. [passage omitted]

APRA'S DEL CASTILLO PROCLAIMED LIMA MAYOR

PY310111 Paris AFP in Spanish 0021 GMT 31 Dec 86

[By Hugo Levano]

[Excerpt] Lima, 30 Dec (AFP) -- Jorge del Castillo, the candidate of the ruling APRA [American Popular Revolutionary Alliance] party, today was officially proclaimed the winner of the Lima mayoral elections, which were held on 9 November 1986. The Lima province electoral board took more than 7 weeks to release the official results of the Lima mayoral elections, according to which Del Castillo, a young attorney, received almost 38 percent of the votes; Alfonso Barrantes, who sought reelection as a candidate of the Marxist IU (United Left) Front, got 35 percent of the votes; and Luis Bedoya Reyes, of the conservative PPC (Popular Christian Party), received 26 percent.

Although the Lima provincial electoral board today announced Del Castillo's victory, the opposition IU and PPC parties have appealed to the National Electoral Court, asking it to nullify the Lima elections, claiming that the electoral law was violated and that a fraud was committed in the vote counting. These disputes helped extend the process of official vote counting, despite the fact that on the night of 9 November, the television stations broadcast projections that virtually coincide with the official results.

The Lima provincial electoral board today rejected an IU and PPC petition to nullify the Lima elections, and it appears that the National Electoral Board will not agree to nullify the elections in Lima province, where one-third of the country's population is concentrated. According to the official count, Del Castillo received 817,056 votes, Barrantes received 756,213 votes, and Bedoya received 585,421 votes. [passage omitted]

GENERAL NORIEGA SPEAKS ON CANAL TREATIES

PA312139 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Dec 86 pp 1, A-10

[By Emilio Sinclair]

[Text] When stating that 1987 will be the "10th anniversary of the treaties and that therefore not one step backward will be taken along the way to 1999," General Manuel Antonio Noriega, commander in chief of the Defense Forces, admitted that "neither the Panama Canal Treaty nor the treaty on the permanent neutrality and operation of the Panama Canal which were signed on 7 September 1977, are perfect documents for the fulfillment of absolutely all the Panamanian aspirations."

Speaking to the highest ranking officers of the Defense Forces in the auditorium of the headquarters of the institution located in the populous El Chorillo neighborhood, Gen Noriega said that despite the difficulties, "the specific and visible successes obtained through the Torrijos-Carter Treaties are permanent achievements that belong to the Panamanian people."

"What was established in those treaties," he added, "was a program of national liberation to be fulfilled in 22 years, almost 10 of which have already passed, leaving 12 years so that the new Panamanian generations will fully conclude that liberation program."

After quoting Democratic Senator Edward Kennedy who once said that "it is very just that the Panamanian Government and people aspire to put an end to the foreign military occupation in their own territory and that they aspire to recover full national control over their entire territory almost 100 years after becoming independent," Gen Noriega stressed that "all nationalist and wise Panamanians know well that the following great nationalist objectives were achieved with the 1977 Torrijos-Carter Treaties [quotation marks as published]:

1. The abrogation of the infamous Hay-Bunau Varilla Treaty of 1903. "Once and for all that permanent and main cause of the conflict between Panama and the United States disappeared," Noriega commented.

2. The neocolonialist enclave was liquidated with the elimination of the "Canal Zone Government" and the reintegration of that zone to the rest of the Republic of Panama.

3. It is clearly and precisely established that when the new treaty expires at noon on 31 December 1999, the Republic of Panama will assume total responsibility for the administration, operation, and maintenance of the canal and its auxiliary installations, which the United States must turn over to Panama in optimum operating conditions and free of debts and mortgages.

4. National dignity is reaffirmed regarding the [U.S.] military presence in Panamanian territory at the latest at noon 31 December 1999. [sentence as published]

5. Any type of interpretation about alleged U.S. "rights of intervention" in Panama's internal affairs is eliminated once and for all.

6. Full recovery of the Panamanian capacity to sovereignly exploit to the benefit of the nation its main natural resource, which is its geographic position, has been achieved.

7. It is established that any future decision on alternatives to the current lock-system canal -- such as, for example, a possible sea-level canal -- will be essentially made by Panama, bearing in mind, above anything else, absolute respect for and safety of the sovereignty and the political, economic, social, and cultural interests of Panama.

8. The rapid reverting, much before the expiration of the new treaty, of important areas and waters adjacent to the Panama Canal was obtained. Many of them included very useful infrastructures, providing our country the first opportunity since 1903 to have valuable resources available to serve its socioeconomic development needs.

9. With the entry in force of the new canal treaties and the attached documents, greater allocations and significant direct and indirect economic benefits are obtained for Panama. They are visible in terms of the increase in the annuity, fiscal revenues, transfer of commercial activities to Panamanian enterprises, salaries, and other multiplying effects that the operation, defense, and maintenance of the canal have on the national economic structure.

10. The significant participation while the new treaty is in force of the Panamanian Defense Forces in the activities of protection, defense, and security of the canal, installations, and adjacent areas, has been achieved and it is established that Panama will exclusively assume those responsibilities when the treaty expires at noon on 31 December 1999.

In light of the aforementioned achievements, the general recommended to Panamanians that "we renew our faith that Panama's political independence, territorial integrity, and free determination are guaranteed by the unyielding determination of the Panamanian people, the strength and doctrinal coherence of the healthy nationalist thought of their Defense Forces, and the active solidarity of all the world's peoples."

Gen Noriega said that "the Defense Forces guaranteed peace" and that they will continue to do so in 1987. "Mother Theresa was the best proof of this with her presence in our general headquarters" he added.

Regarding military aspects, he stressed that "civic action was the essence of the implementation of the doctrine of the Panamanian Defense Forces, and with great satisfaction we have confirmed the application of our programs in brother Central American countries. In this way, Panama obtains first place in Latin America with Armed Forces that are the leaders in the relationship with and the development of communities."

ABADIA EXPLAINS CONTADORA REGIONAL TRIP

PA312146 Panama City Circuito RPC Television in Spanish 1730 GMT 31 Dec 86

[Text] Panamanian Foreign Minister Jorge Abadia Arias has announced that in January the Contadora Group will initiate an unprecedented trip through Central America in a search for a prompt, sound, efficient, and peaceful solution to the differences between Honduras and Nicaragua.

[Begin Abadia recording] We believe that the threat of war between the two sister nations is serious and delicate, but we will go to those two countries and to the other Central American countries based on a decision adopted on 17 and 18 [December] in Rio de Janeiro. The purposes of the trip will be to secure a viable political agreement. We will speak with the highest spokesmen of these five Central American governments.

The visiting delegation will include the eight foreign ministers of the Contadora and Support Groups, UN Secretary General Javier Perez de Cuellar, and OAS Secretary General Baena Soares. This trip has no precedent in the peace process. The trip will begin in Panama. We will meet here on the 17th. We will travel with the support of the Panamanian Government and Armed Forces. We will hold talks at the highest level in all the countries to be visited to search for a prompt, efficient, and peaceful solution to the conflict.

Support is very important. The latest meeting took place in Rio de Janeiro. Brazil has been involved in specific and effective actions in the framework of the pacification efforts for Central America.

The support received is so important that we have formed a group of eight, which includes the eight Contadora and the eight of the Support Group [sentence as heard]. This way we have formed a group of countries that have similar problems, similar solutions, and a similar destiny, for the purpose of providing mutual assistance. Panama is very proud of belonging to this group that includes the largest South American countries -- Mexico, Venezuela, Argentina, Colombia -- and we are participating as equals in the most important group ever to be created in Latin America. [end recording]

BRIEFS

BUDGET APPROVED -- The Legislative Assembly today approved the state's general budget for the 1987 fiscal year at the conclusion of a session that lasted more than 10 hours. The budget is for 3,141,800,000 balboas. The central government's budget share is for 1,866,376,565. The budget will go into effect on 1 January 1987. [Summary] [Panama City LA REPUBLICA in Spanish 30 Dec 86 pp 1, 10 PA]

ARIAS NOTES MAIN ACCOMPLISHMENTS IN 1986

PA011712 San Jose Radio Reloj in Spanish 0100 GMT 1 Jan 87

[Text] President Oscar Arias Sanchez has said that during 1986 the government worked at fulfilling its promises.

President Arias said that he is satisfied with the achievements made during the year that is about to end. He stressed that there were more sound decisions than mistakes during the past few months, and that Costa Ricans are aware of that.

According the President Arias, progress was made during the past year to decentralize the government. This was accomplished by transferring functions from the central government and of autonomous institutions to municipalities. Arias said he hopes that legislators will approve the bill granting 10 percent of the national budget to municipalities.

President Arias also expressed his hope that health and education will be decentralized so that the communities can appoint their teachers and so that doctors can be freely elected.

Regarding the economic situation, Arias said that during 1986 the progress made in the foreign debt renegotiation with private banks was favorable for the country. He stressed that in the economic field, the renegotiation of our foreign debt is the most important factor, because unless better conditions of payment are obtained, it will be impossible to increase production in 1987. He added that the necessary efforts were made during the past few months to reactivate the economy, increase, production, and generate new jobs as promised.

Arias said that during 1986, the Costa Rican people enthusiastically supported the housing program, which was the greatest social achievement. He stressed that the goal set for building houses in 1986 was accomplished, spurring enthusiasm among the citizens. Arias stressed that the unanimous approval of the bill on the mortgage bank was one of Costa Rica's 1986 achievements.

Arias said that Costa Rica's most important international commitment was maintaining peace, a commitment which was fulfilled. He added that without peace, nothing would have been done in the country. He stressed that the Costa Ricans' living standards will depend on whether the country becomes involved in the Central American problems, adding that peace with neighbors and domestic peace are essential to raising living standards. Maintaining peace is the most important challenge for 1987, he concluded.

EL SALVADOR

FMLN STEPS UP ATTACKS ON ARMY, SABOTAGE

Convoy Ambush

PA011721 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 1 Jan 87

[Text] Here is a last-minute report. The FMLN carried out a successful ambush on a convoy of the 3d Infantry Brigade, inflicting 20 casualties on the enemy.

The report states that at 0700 on 29 December, guerrilla units ambushed troops of the 3d Infantry Brigade on the Pan-American Highway in the area known as (El Verdugo), 6 km from the Cuscatlan Bridge, as a result of this action, the troops of the 3d Infantry Brigade sustained 20 casualties.

40 Towns Without Power

PA010109 Paris AFP in Spanish 2001 GMT 31 Dec 86

[Text] San Salvador, 31 Dec (AFP) -- Official Salvadoran sources have reported that a few hours ago over 40 towns in the country's eastern sector were left without electricity services because guerrilla columns dynamited 20 posts carrying high tension cables.

Spokesman for the Lempa River Hydroelectrical Commission Executive Commission (CEL) reported that the FMLN guerrillas destroyed the posts near Mercedes Umana, located 105 km east of San Salvador.

According to these sources, in 1986 the FMLN destroyed a total of 1,157 structures, affecting services chiefly in Usulutan, San Miguel, La Union, and Morazan Departments, in the country's eastern and northern areas.

Moreover, General Adolfo Onecifer Blandon, chairman of the Joint Chiefs of Staff, said that the Salvadoran Army will spend this New Year's Eve in a "state of alert" to prevent rebel attacks.

Meanwhile in Guazapa, 24 km from the capital, residents stated that on Wednesday specialized counterinsurgency battalions launched a mortar attack against alleged FMLN positions.

Moreover, soldiers from the 5th Infantry Brigade, with headquarters in San Vicente, continue combing operations in areas under FMLN influence following Monday's guerrilla attack against a military base. The Army sustained 25 casualties during this attack.

HONDURAS

PRESIDENT AZCONA ADDRESSES NATION ON POLICIES

PA011448 Panama City ACAN in Spanish 2121 GMT 31 Dec 86

[Text] Tegucigalpa, 31 Dec (ACAN-EFE) -- President Jose Azcona Hoyo today reiterated that Honduras will not support or participate in offensive military actions, and that it will never back armies of any world power that seek to use its territory against another country.

In a year-end address to the nation, the Honduran president said that in seeking a political resolution of Central America's problems all of its causes should be considered, and that "partial agreements, which far from offering a solution to our countries only help consolidate the antidemocratic presence in the area, should not be concluded."

Azcona said that his country's relations with the other world democracies "amid a climate of honorable interdependence between nations with the same ideology as a common denominator help us negotiate successfully at various international organizations."

"The violent outbursts of domestic conflicts and the contradictions that exist in various Central American countries have transcended their borders and reached our country," the Honduran president said. He added that as a result of domestic problems in various neighboring countries, thousands of refugees continue to arrive in Honduras as they flee from violence, insecurity, and intolerance.

"The image of uncertainty and high risk," he said, discourages tourism and local foreign investment, while defense commitments sidetrack financial resources needed for the country's development and well-being.

Faced with so many negative factors, Honduras needs to strengthen peace and security. That is why the government insists that the resolution of the crisis must come through negotiation.

However, in order to reach this goal, the head of state said, all Central American governments, particularly those in the territory of which the causes of the crisis emerged and continue to multiply, must fully assume their responsibility to promote a trustworthy peace agreement that will be endorsed by all.

"This responsibility implies ending, by means of dialogue, the violent manifestations of domestic dissent by promoting national reconciliation and, especially, giving the people freedom to express and choose without restrictions the system of government they desire," he said.

Dialogue, the Honduran president said, is undoubtedly a decisive step to reaching peace in Central America. He warned that the Honduran Government and people's insistence on negotiation and peace "must not be confused with weakness. My government, our people, and the Armed Forces will spare no valor or courage in defending our country's territorial integrity."

He said that friendly nations and neighboring governments can rest assured that "beyond any difference that may exist between us, we share the grave and historic responsibility of guaranteeing regional peace and well-being."

The president reviewed various accomplishments of his administration, which assumed power on 27 January 1986. He stressed that the consolidation of the democratic system of government is an indispensable requirement to reaching the climate of tranquillity that will help the country's development.

"Democracy acquires full significance when a just society intent on suppressing the various manifestations of poverty and underdevelopment is attained," the president said.

He announced that in January 1987 he will submit a report on the first year of his administration. During his year-end address, Azcona said that without ignoring the problems and dangers the country is facing, "I believe that Hondurans have reasons to have an optimistic outlook regarding the country's future."

NICARAGUA

ORTEGA DELIVERS 'NEW YEAR MESSAGE' TO NATION

PA311700 Managua Domestic Service in Spanish 0003 GMT 1 Jan 87

["New Year Message" delivered by President Daniel Ortega Saavedra at Managua's 14 September Plaza -- recorded]

[Text] Nicaraguan brothers: This is the 8th year we are finishing since that heroic and victorious day when, with so much hope, the bells rang throughout Nicaragua on 19 July 1979. We have concluded one more stage in the lengthy journey to bring once-and-for-all peace, stability, and well-being to all of Sandino's people.

We are experiencing a crucial phase. The year 1986 was the 30th anniversary of the execution of Sandino's assassin through the just fire of Rigoberto Lopez Perez. This year was the 25th anniversary of the emergence of the FSLN. We also commemorated in 1986 the 10th anniversary of the death in combat of the founder of the FSLN, our brother Carlos Fonseca. This year was the seventh anniversary of the triumph of the Sandinist people's revolution. In 1986, our unanimous cry was: After 25 years, all weapons against the aggression.

All weapons were accurately aimed against the Yankee aggressor. The people's heroism as organized in the EPS was entrenched throughout the national territory, repelling and expelling the majority of the mercenary forces toward the camps that the U.S. occupation has established in Honduras and Costa Rica.

The people's heroism as organized in the Interior Ministry dismantled time and time again the terrorist networks that the U.S. Administration has tried to establish in Nicaragua's cities.

The heroism of the workers, peasants, technicians, administrators, professionals, youths, and patriotic producers was once again put to the test in the coffee, cotton, and sugarcane harvests; and in guaranteeing supplies, services, and infrastructures so the economy would not suffer the mortal collapse that our enemies sought.

The year 1986 was one of great sacrifices that increased the quota of grief and blood for the Nicaraguan people. Foreign volunteers were also assassinated, wounded, or kidnapped by the gunmen of the U.S. Government.

In 1986, the U.S. Congress approved the sending of U.S. military advisers, armaments, transportation, and $100 million to continue the terrorist actions in Nicaragua. All of this was in open defiance of the historic ruling of the ICJ, which condemned the U.S. Government for its terrorist actions against Nicaragua.

This new action, which violated international law and the Nicaraguan people's right to life and peace, followed in its effects the sanctions adopted by the U.S. Government in May 1985, which were ratified in 1986. The president of the military and economic power then issued the following executive order: I, Ronald Reagan, President of the United States of America, confirm that the policies and actions of the Nicaraguan Government constitute an unusual and extraordinary threat to the national security and the foreign policy of the United States, and I hereby decree a state of national emergency to face that threat. Therefore, I prohibit all U.S. importation of merchandise and services of Nicaraguan origin and all U.S. exportation of merchandise directed or destined for Nicaragua, with the exception of those destined for the democratic resistance and the transactions with it. I also prohibit Nicaraguan aircraft from carrying out air transportation operations that have as their origin or destination a U.S. location. I also prohibit Nicaraguan-registered vessels from entering U.S. ports. I delegate powers to the treasury secretary, and I authorize him to use all the powers granted by the Act of National Emergency Economic Powers to fulfill the objectives of this order.

In other words, that was the economic embargo decreed by President Reagan and the $100 million approved by the U.S. Congress. What has been our reply to the U.S. aggression?

President Reagan contemplated having a mercenary army of 30,000 men by this time. This mercenary army, which has its main bases in Honduras and others in Costa Rica, had 11,000 men in December 1981. This army of 30,000 mercenaries about which Reagan dreamed now has been reduced to 6,500 mercenaries. [applause] The millions of dollars diverted to President Reagan's mercenaries from Israel have been useless; the policy of embargo against Nicaragua has been fruitless for the mercenaries; and the $100 million approved by the U.S. Congress has not helped and will not help the mercenaries.

During 1986, there were approximately 3,000 armed clashes. In 90 percent of these clashes, our Army troops had the initiative. [applause] This enabled us to hit the mercenary forces systematically, reducing them from 11,000 to 6,500 men. At the same time, we also dealt harsh blows on pivotal centers, pivotal camps of the mercenary forces, which have served as training centers, as supply centers, as recovery centers. This also made it possible to reject at the border points the continuous attempts by the mercenary forces to enter, to invade our territory from Honduran territory.

During 1986, through yesterday...[corrects himself] or through 28 December, the EPS, the organized and armed people in the Sandinist People's Militia, had inflicted on the mercenary enemy throughout the country a total of 6,600 casualties, including 4,000 deaths. [applause] During the same period, our Army sustained 1,019 deaths and 1,798 wounded, to which we must add 1,100 Nicaraguan citizens -- including children, women, elderly people, workers, technicians, and local and foreign professionals -- who were the victims of the mercenary forces' terrorist actions, and who were either killed, wounded, or kidnapped.

As a result of these setbacks suffered by the mercenary forces, the enemy ranks have been further weakened. This explains why the Interior Ministry, in coordination with the Army and with various government institutions, has managed to achieve a number of actions aimed at neutralizing the enemy's support network.

As a result of all this work, 1,500 people -- most of them living in the war zones -- have stopped fighting, abandoning various structures of the mercenary forces and delivering the weapons they possessed. The process of deterioration within the counterrevolutionary groups includes the desertions occuring at the mercenary bases in Honduran territory, and the total deterioration of most of the mercenary forces that have operated from the bases in Costa Rican territory.

As a result of the growing strategic defeat suffered by the mercenaries and of the autonomy process promoted by the FSLN and the revolutionary government Nicaraguan citizens, Miskito Indians, currently on the Honduran Atlantic coast have expressed their desire to return to Nicaragua. To date, with the support of international organizations such as the UN High Commissioner for Refugees, 2,400 people have already been repatriated and are now participating in the daily chores that are being promoted in special zone one.

Millions have been given to the mercenary forces in vain. We have seized from them 1,400 automatic rifles and light and heavy machine guns of various kinds; 300,000 cartridges for rifles and machine guns; 15 LAW, RPG-7, and M-79 rocket launchers; 337 M-79 and RPC-7 grenades; 16 82-mm and 62-mm mortars; and 84 mortar shells and cannon projectiles. We have seized hand grenades, radios, parachutes, small boats, and dugout canoes from them. We have repelled their incursions from the Honduran border territory in important actions in March, November, and December 1986. We downed their C-123 plane, in which a U.S. mercenary was killed [as heard] and another, by the name of Hasenfus, captured. U.S. mercenary Sam Hall was captured in restricted areas at an Air Force installation.

Millions have been given to the mercenary forces in vain. They have not been able to obstruct the successful fulfillment of the process of registration, organization, and assignment of units of the Reserve Military Service on the Pacific coast.

Millions have been given to the mercenary forces in vain because while fighting at the border areas and in other various areas of the country, we held the military 8 November parade which proved the advancement and consolidation of the military institution, of our army. We carried out the "Subtiava-86" and the "Commander Carlos Reviews the Troops" maneuvers in Leon, Chinadega, and Managua. We consolidated the EPS' institutionalization. This is reflected in the echelon and the new process of rank conversions as part of the new hierarchical echelon that was adopted.

This is the truth, President Reagan: Your policy has already claimed more than 35,000 victims, and economic losses resulting from the war total $2.821 billion. However, despite this, your freedom fighters, your armed opposition, your murderers, terrorists, and henchmen are being defeated and will continue to be defeated by the heroic people of Sandino. [applause and slogans]

In 1986, land reform was expanded. A total of 439,065 manzanas of land were turned over to 12,229 beneficiaries. Exports were affected. These declined by $218 million. However, we must stress that significant progress was made in the battle to recover work hours in the fields and to regulate work at industries.

In the struggle against inflation and to motivate workers, real salary was protected by strengthening the supply networks in the fields and reorganizing the distribution system for city workers.

To the problems created by the aggression we must add the pitfalls and deficiencies that still plague us and that we must fight energetically. Economic problems are indeed more complex, but we are compelled to undertake greater efforts to overcome our other pitfalls. The economic problems are more complex because they are linked to the unjust international system that squeezes developing countries, foreign aggression, international trade problems, and the debt problem. However, by using our limited resources and the generous foreign cooperation more efficiently, improving discipline, eradicating snail-pace work habits and bureaucratism, fighting speculation, and increasing productivity, we will be a better position to face and control the economic crisis that we are presently experiencing.

Special measures were adopted in 1986 that helped avert economic collapse. The National Directorate issued special measures to face the crisis, improve the revolutionary state's economic performance, and give priority to productive sectors in the city and fields. This naturally affects other, nonbasic sectors. This was the only way -- it constituted a true effort to rationalize the exploitation of our resources to the fullest -- that we can explain why our economy did not continue on a downward trend. In 1985, we had negative economic growth of 0.5 percent.

For 1986, we had planned on a 6.5 percent growth rate. In other words, go from minus 5 percent, arrive at zero, and then continue up to 6.5 percent. That was not possible because of all the problems already explained. However, we managed to come close to the zero-percent point. In other words, from minus-5 percent in 1985, we reached [minus] 0.41 percent, in other words we nearly reached zero percent.

For 1987, we have planned a growth in our economy of 2.1 percent. At the end of 1986, under the slogan, "25 years later, all weapons against aggression," we have fulfilled the permanent task of strengthening democracy as understood in an integral manner by the defense of our sovereignty and self-determination; the defense of the peasant and workers interests; the right of the workers and all the people to organize themselves, to criticize, and to use the media as real instruments of democracy; the right to education, health, and housing; maintaining our nonaligned foreign policy; concluding the constitution; and strengthening our policy of solidarity with the people struggling in South Africa, Chile, El Salvador, and Haiti.

In 1987, we shall celebrate the revolution's eighth anniversary. In 1987 we shall face Yankee imperialism's aggressive policy through different means. We must continue fighting and struggling. We must continue defeating aggression, and to fulfill our economic and defense plans.

This year of 1987 will be one of great challenges and sacrifices to guarantee the defense and consolidation of the revolutionary power, which demands discipline and more discipline, firmness and more firmness, awareness and more awareness, initiative and more initiative, audacity and more audacity, courage and more courage. This is why in military defense and production 1987, our slogan will be: No one surrenders here! [applause]

We shall continue supporting the peace efforts of the Contadora and Support Groups. We shall continue supporting worldwide detente peace efforts. We shall continue supporting the right to peace of the Nicaraguan people by reacting with more organization and discipline in military defense and the defense of the economy in the factories, schools, neighborhoods, villages, in Monimbo, Subtiava, Rio Coco, Rio San Juan, Tetecacinte, Jalapa, Bluefields, and Puerto Cabezas. [applause and slogans]

We shall continue strengthening democracy in Nicaragua. There is a whole democratization process in Latin America. Everyone speaks of democracy in Latin America. We march through different paths toward democracy in each of our countries. However, to speak about democracy, we must first defend sovereignty, self-determination, and national dignity. There are leaders who only talk about democracy and yet discredit that word. To use that word, they first must defend self-determination, independence, and the sovereignty of their countries, which today are occupied by U.S. troops who attack our fatherland.

As we were saying, we understand democracy in an integral way: In the workers' capacity to produce and work, in the workers' capacity to grasp the rifles, in the workers' capacity to criticize without fear, in the workers' capacity to govern, in the workers' capacity to obtain a constitution, as the one we now have after it was widely discussed by our people.

This is the democracy that we have defended and shall continue to defend in Nicaragua. This is our reply to the embargo decreed by President Reagan and the $100 million. This is our reply to the policy of blockade and curtailment of supplies to the people. This is our reply to the threats of Yankee intervention.

We are going to improve production in 1987. We are going to raise productivity in 1987. We are going to raise production and productivity with rifles, defeating more mercenaries; and we are going to raise productivity and production with the plow and the machete, producing more basic grains, coffee, sugar, and more basic goods for the people in our industries. No one surrenders here -- this is the reply of the EPS troops, the Battalion for Unconventional Warfare, Rapid Hunter Battalions, Permanent Territorial Companies, small unit special forces, border guard brigades and detachments, Sandinist Air Force and antiaircraft defenses, Sandinist Navy and its naval districts on the Atlantic and Pacific, and the self-defense militias. No one surrenders here -- this is the reply of the General Staff, the safeguarding and rearguard units, armored units, artillery units, and pilots. No one surrenders here -- this is the reply of all the country's reservists and militiamen of the entire country.

For that reason, we are convinced, we are sure that by turning our defense into an overall military and economic defense -- and because the 1987 economic plan is part of the nation's defense -- we will have to strengthen our tendency to recover the historical norms of labor productivity, enterprise efficiency in government plans and actions.

We will have to encourage strongly the relocation of labor forces from the nonproductive sectors to the productive sectors in the rural and urban areas. We will have to encourage the maximum utilization of the productive infrastructure and a more adequate organization of rural production. We will have to make these and other efforts to fulfill the requirements of the country's defense; to provide elements necessary for production, and essential supplies for production and export activities; to fulfill the population's basic consumption needs; to meet all the basic demands for energy, water, transportation, and construction; to grant basic production and supply; and to support social services.

In 1987, our homeland, which is subject to a brutal state of trade, economic, financial, political, diplomatic and military blockade, will demand greater administrative efforts; greater organization in the administration, control, and plans; and greater organization in the observance of the saving and austerity norms of the various state institutions and of all the nation's social forces in order to fulfill our goal of continuing the intensification of the total defeat of the mercenary forces.

No one surrenders here. This is the reply of the Interior Ministry combatants who, from the state security organizations, are closely linked to the Army, and support the country's military plans. No one surrenders here -- this is the reply of the Sandinist police and all the other Interior Ministry organizations. No one surrenders here -- this is the reply of the ministries and employees of the revolutionary state. No one surrenders here is the cry of Managua and all of Nicaragua. [applause]

To the Yankee maneuvers, which have begun again in Honduras with thousands of Yankee soldiers, the FSLN says: No one surrenders here. [applause]

For our heroes and martyrs, for the blood of Zeledon, Sandino, Rigoberto, and Carlos, all honest Nicaraguans, united in the defense of the attacked nation, want to tell all the Yankees and turncoats once and for all: No one surrenders here. Free fatherland or death.

ORTEGA SENDS MESSAGE TO CUBA'S FIDEL CASTRO

PA311955 Managua Domestic Service in Spanish 1200 GMT 31 Dec 86

[Letter from President Daniel Ortega to Cuban President Fidel Castro; date not given]

[Text] Dear Companero Fidel:

The FSLN National Directorate, the Nicaraguan Government, and the people of Sandino wish to convey to you and, through you, to the Communist Party of Cuba, your government, and the sister people of Cuba a warm greeting on the occasion of the commemoration of the 28th anniversary of the Cuban revolution.

As the first socialist revolution in the American hemisphere marks another anniversary, our indestructible friendship shares that rejoicing with the people of Maceo, Marti, Che, and the thousands of heroes who forge the daily struggle against imperialism.

Today's free, sovereign, and independent Cuba, firmly incorporated into the community of socialist states, has always stood as an extraordinary example of pride, firmness, and courage to the revolutionaries of Nicaragua, Latin America, and the world.

The Sandinist people's revolution admires the exemplary, untiring work of the top political leaders of the party and Government of Cuba. They have guaranteed important advances in the various spheres of Cuban life despite constant political threats, including blackmail, economic blockade, and misinformation campaigns, permanently launched by Yankee imperialism in its vain effort to destroy the revolution.

We firmly recognize the high spirit of internationalism of the Cuban people and the invaluable support and solidarity that the Cuban people have offered us, sharing our sacrifices and our triumphs.

The FSLN and the Nicaraguan Government and people are certain that our fraternal and indivisible friendship as sister nations will reap new and greater successes on behalf of peace, freedom, and justice, which are mankind's heritage.

Fraternally,

[Signed] Daniel Ortega Saavedra

BRIEFS

WHEAT DONATION -- The Indian ambassador to Nicaragua, Satnam Singh, has delivered 10,000 tons of wheat to Jose Angel Buitrago, Nicaraguan deputy minister of foreign cooperation. The ambassador said that his government signed several mutual cooperation agreements with President Daniel Ortega during the latter's visit to India. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 31 Dec 86 PA]

REPORTAGE CONTINUES ON 11TH ANPP ASSEMBLY

Castro Eyes Steel Problems

FL260425 Havana Television Service in Spanish 0100 GMT 26 Dec 86

[Video report from Havana's Palace of Conventions]

[Text] [Reporter] At the close of this newscast, discussions were still under way on the report submitted by the Ministry of the Steelworking Industry concerning the industry's performance from the triumph of the revolution to date. The findings of the Industry, Transportation, and Communications Committee of the National Assembly of the People's Government [ANPP] noted that the report is self-critical and sets our clearly what the deficiencies and problems are in light of the process to rectify errors. The committee proposed 18 recommendations.

[Female deputy] The exploitation of installed capacity is still insufficient. There are frequent interruptions in factories and shops because of problems of materials and organization. Also affected are the containers of some products, the quality of certain raw materials, components, and tools, and in the timely delivery of these by the supplying enterprises. In addition to these difficulties, there are limitations in the capacity to store raw materials and finished products. The required level of quality has not been achieved in the production of several enterprises. Testing methods and control laboratories are often insufficient. There is a certain delay in the design of several products.

[Reporter] Our commander in chief participated in the discussion. He emphasized that we are very inexperienced in managing the organization of work in the majority of the steelworking industry enterprises. A basic problem of this industry, he said, is that it still has to import the equipment it uses, a deficiency that could be eliminated if we considered the resources the industry has at hand.

[Castro] My impression is that the most serious problems of the steelworking industry -- they are listed here in the findings, but we must emphasize them here in the ANPP -- lie in the cadre policy. Its cadre policy has been very poor, very weak, too contemporizing. [as heard] There's all this feeling sorry for their fellow workers; they take him out of here and put him over there. It must have an objective cadre policy. I think we should tell comrade lage [minister of the steelworking industry] that this is one of the fundamental questions, points that have to be resolved within the steelworking industry. The way to pick cadres, the cadre policy. I feel this is a fundamental point.

I believe that the steelworking industry has been the most chaotic in the problem of wages, excessive wages, quotas. I think that the steelworking industry and the sugar industry are the two champions in this -- and they are not the only ones; I think that all have had the same problmes. The sugar industry, with the repairs in the sugar mills, with the last-minute rush, with the wages by agreement [salarios por acuerdo], has given rise to many of the distortions that have been mentioned here.

There is almost no steelworking industry without these problems -- the anomalies, the payment of wages that don't quite jibe. I don't know if it's more difficult because of the very nature of the industry to work with quotas. It might be harder to find the adequate criteria. I don't know why. We would have to go deeper into the matter. But it is the industry with the most problems in that, the most disorganization, the most anarchy, the most chaos.

In general, the steelworking industry... [changes thought] because if we go to the shipyards -- what's the name of the shipyards? Chullima. There are problems there too. We have had to talk and discuss a great deal with the workers, because, of course, once certain vices are introduced, it is hard to get rid of them. Another problem the industry faces is quality. Not in everything. There are some good products. I don't know if it inevitable that each time we build new equipment, we have problems with the new equipment. I think we have to insure that the products from the steelworking industry are good.

Castro Outlines Steel Progress

FL261610 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Dec 86

[Video report from Havana's Palace of Conventions]

[Excerpts] [Reporter] During the discussions of the report submitted by the Ministry of the Steelworking Industry to the National Assembly regarding its activities during the last few years, an interesting debate was held which dealt with the main problems this industry is currently facing. Our commander in chief made reference to the need to focus its industrial development on eastern provinces and make a thorough analysis of its investment plans so priority projects can be completed. [passage omitted]

[Begin Castro recording] ... so it does not release to the market any product, any item, any equipment -- I am talking about equipment and not about a nut or a little washer -- we should not release even into the domestic market equipment that does not meet the requirements. It should only release equipment in good working conditions. Poor quality equipment should not be released even into the domestic market, much less to the export market. It has to be equipment that meets quality guidelines.

Right now you are going to manufacture cranes, they are planning to manufacture cranes and that is very important, because the price of cranes has increased from 30,000 to 150,000 [currency not specified], for 140,000, for a 30-ton crane. Those Spanish [lunas] that used to cost $30,000 now cost 140,000 while sugar still costs the same, 5 cents, 6 cents, 5.5, 6.25 cents but everything we import, from the ice cream machine, which costs from $2,000 to $8,000 -- I believe you are going to manufacture ice cream machines of the kind the Japanese manufacture because if I remember correctly domestic trade workers are manufacturing one like the Italians manufacture. The only thing that is required of this equipment is that they make ice cream and that the mixture does not come out from one side and water from the other. [Castro chuckles] Thqt is what is required of the equipment. They used to cost 2,000 and now they cost 8,000. The crane that used to cost 30,000 now costs 140,000. This happens with everything. It does not make sense.

This is the advantage of countries that have a developed steelworking industry. They have steelworking industry goods and sell them to Third World countries at very high prices. We have to get rid of many of those imports, of all that is possible. Even those kitchen stove valves, cememt mixers, [word indistinct], all those things that we have spent millions in.

I believe the industry has made progress, the steelworking industry has had a dynamism and a desire to do things, and of boosting production sometimes with a certain degree of subjectivity. Sometimes because it has looked too far, it has overlooked some things that are more attainable, closer. The steelworking industry cannot only be criticized because it has made great efforts. Not only the SIME [Ministry of the Steelworking Industry] has done this, the Ministry of the Sugar Industry has made considerable efforts, the Ministry of Agriculture has made efforts to produce things, the Ministry of Construction is making efforts to also produce equipment. There are many ministries that are making efforts. I believe that if the steelworking industry [word indistinct] these points -- the ones that are in the report but especially these three that have been discussed -- I believe it can make a very important contribution to the country's economy because this is a very important industry.

This is the industry from which the Czechoslovakians and Germans live -- they also have chemical industries and other things. It is the industry which has made possible Bulgaria's development. The one that has made possible the development of socialist countries in general. It is a decisive industry for development.

We can see a good example of the steelworking industry in the 200-a rolling mill to which Lage [minister of the steelworking industry] referred that is next to Antillana de Acero. it was entirely built by our country. It already has a considerable production. It is a shame they built that rolling mill there, they should have built it in Santa Clara or in the interior. The next one should be built far away from the capital. We can send them ingots and have them produce iron bars there. But the project and equipment were built by the steelworking industry. The fact that a country is capable of building a rolling mill is important. Over 60 percent of sugar mill components are produced between the SIME and the sugar industry ministry. It is a great thing to be able to say that the projects and most of the equipments are Cuban made. That is why we could even build a sugar mill in Nicaragua with their cooperation.

The steelworking industry ministry has made an important effort. It has also made efforts in the automobile industry and bus industry. It has developed trucks and engines. It has made a number of positive and important efforts.

Right now Antilla de Acero has become one of the country's primary sources of income. We are building there an Egyptian pyramid [as heard] to produce 200,000 tons and it has been discovered that by changing the transformers, putting...[changes thought] that could cost over 100 million [currency not specified] and with an additional investment of $2 or $3 million, that plant's production could be doubled. Instead of producing 200,000 it could produce up to 400,000 tons of steel with a very small investment. Antillana de Acero is an industry that is operating well. We could say it is an exemplary industry. Its workers have a very good attitude, they are determined to fulfill their plans and surpass them.

I believe it is one of the industries in the country that is operating the best. I believe, well, the problems that the steelworking industry may have had are similar to the ones the textile industry has had at the Santiago de Cuba textile plant, the balance spinnig mill. Lack of coordination. They do not have enough housing facilities considering the place where they are located. The ones that were built [words indistinct] for the number of laborers that has and the ones it will have where not even conditioned to the job [vinculadas]. I asked the Antillana de Acero director, are those housing units tied to job? They had not even though about it. I made a criticism. How are you going to maintain the work force here? What good do the houses make if when they are built and you distribute them they are not conditioned to the job? They move there and go to work elsewhere, maybe at the brewery plant or some other place. They are left without the house and the worker.

The houses they had in the balance spinning mill -- they had a few more housing units -- were not tied to the job. I want you to know that there were some people who had been working there who had already received houses, then left, and where going to the small town on weekends. I call it small town to call it something because the grass was very tall. The grass was so tall where the store and other facilities were supposed to be that it could cover a man riding a horse. That is one example, It did not have any streets. So a town with 800 apartments -- which is considered a lot, or something compared to the few others have -- have most of the apartments for people who are sheltered [albergados]. The sheltered did not have dining rooms and they ate at the factory. They did not have stores to buy things did not have allowances [quota] and had to shop at the parallel market if they wanted to buy something. The town did not have a grocery store, drug store, child care center, schools, nothing. It was a shoddy work. Now they are building streets and other facilities. They used to use apartments for a barber shop and drug store. I am referring to other problems we have had in all these investment processes in large factories with large problems. Moa had them until they were given such a boost that almost surpassed us because we were building 1,200 housing units a year. They built 300 more than the 1,200 and that is what I call to redistribute a little the resources we have to build 300 plus 150, 450 at Santiago de Cuba's textile plant to see if within 4 or 5 years we have 2,000 or 2,500 housing units where the main work force lives and that they are conditioned to the jobs. So many of these mistakes, many of these absurd things have also been hindering the development of all those industries. That has happened to all. It has happened to the steelworking industry.

It has also happened to the sugar industry. They built the Grito de Yara sugar mill. Was it not the Grito de Yara? But they did not build housing. That was desolate. Nobody can explain how a new sugar mill with 1,500 caballerias, a lot of space, had no housing. Who knows how many years are going to go by before they build housing because the housing allowance given to granma Province is not enough to solve that problem. Many investments have been made like that. I believe this is another of the things we have to definitely rectify. This is an old problem. This problem began in Nuevitas where industries were built and house were not built. The housing program was built later. This happened with Mariel which built industries and failed to build housing. This was happening with Santa Cruz del Norte where the rum distillery was built, the cardboard plant was built, and the thermoelectric power plant is being built, and did not have any social program. Luis de la Nuez was in the province. We had to make efforts to start building a housing program there in Santa Cruz and thanks to it that town is growing and problems are being solved.

I believe the steelworking industry is affected by all these problems, all these planning mistakes we have been correcting. However we must be aware that this is a decision industry. It is decisive. One cannot talk about development without steelworking industry. I believe that despite the difficulties we have all these industries can continue to develop because they are basic, fundamental.

Lopez Moreno Castro Speak

F1262016 Havana Television Cubana Network in Spanish 1800 GMT 26 Dec 86

[Video report from Havana's palace of conventions] [Text] [Reporter] In his report Jose Lopez Moreno [Vice president of the Council of Ministers and minister president of the Central Planning Board] insists that an accelerated development of the production of quality export goods and solution of marketing difficulties are definitely the tasks which require the greatest attention and highest priority.

The state budget will allocate some 347 million pesos to subsidize basic goods that are sold to the people at below cost prices. The country will spend 245 million pesos to guarantee the right of a proper nutrition to all its citizens. Work should be done to guarantee the development of important social programs. The greatest increase will be in public health, housing, and community services, security and social assistance, financing of science, technology, sports, culture, and arts.

It is important to note that this is the first time a single report has been submitted that anayzes the economy's behavior during 1986 and makes comprehensive considerations about the implementation of the main aspects of the plan and budget. The circumstances in which this plan has been elaborated need to be considered because it is especially determined by foreign financial difficulties, adverse weather factors, and mistakes and difficulties which hve been made evident during this year and have been strongly noted by our Commander in Chief Fidel Castro. He has repeatedly said that it is absolutely necessary to make a precise and comprehensive review of the economic outlook for next year by identifying the main problems making easier the decision making process.

Immediately after Lopez Moreno finished reading the report, the deputies began to ask questions regarding the details of the plan and the figures of the budget for 1987. All that motivated the participation of our commander in chief. Following is a portion of his participation. Fidel comments about some feelings that some could have regarding the country's current economic situation.

[Castro] Our country had to solve this problem with its own efforts, with its own resources, and above all, with its own sacrifices. Some people became discouraged with these difficulties and discouragement or feelings of failure [derrotismo] are the only things that do not have a place in the mind and heart of a revolutionary. [applause]

Not even in the most difficult times was discouragement allowed among revolutionaries. A revolutionary has to adopt the necessary measures when he is faced with each situation.

Castro Announces Savings Plans

F1262044 Havana Radio Reloj Network in Spanish 1912 GMT 26 Dec 86

[Text] Speaking at the plenary session of the National Assembly of the People's Government [ANPP], Fidel has announced the 30 measures that will be adopted to save convertible foreign exchange and find internal financial stability. He stressed that these are minimum measures and that no one can assure that they will be the only ones, because it might be necessary to adopt others in the course of 1987. If we are wise, we should prolong this radical policy to save convertible foreign exchange. These measures will eliminate the assignment of domestic appliances and mattresses to social programs to increase sales to the population, and thus revenues; adjust the system of liquid milk distribution; adjust by a fraction boned beef to a fourth of a pound; eliminate the afternoon snack in the administrative sphere; reduce the sugar quotas assigned to the ministry of the food industry and the people's government; and substitute 2 months' worth of rice by potatoes in the western provinces.

Other measure cited by Fidel require that we adjust assignments in workers' lunchrooms in the Agriculture Ministry; replace the afternoon dinner with a heavier afternoon snack in the child care centers; adjust the planned excess of students mobilized to the rural schools; keep the number of students eating at boarding schools at the same level as in the 1986-87 term; not increase the assignment of the kerosene quota to consumption nuclei; adjust gasoline used in administrative activities by 20 percent; produce 5 hours of TV programming from Monday to Friday and 2 hours a day on Saturday and Sunday; give up the purchase of 10 square meters of fabric so we can export them instead; increase electricity rates to 9 cents; regulate the assignment of the use of state transportation, eliminate the link [vinculacion], and define who will possess official plates.

In addition: reduce per diems and personnel expenses by 5 percent; reduce by 15 percent travel expenditure in foreign exchange; eliminate gratuities in all workers' lunchrooms in the country; increase retail prices of products coming from self-sufficient areas in sugar farms, agriculture, and so forth; increase transport fares from 5 to 10 cents; ensure the self-financing of popular fiestas; revise the awarding of medical per diems; reduce work - related events and meetings by an overall 50 percent at least; and increase some prices in the parallel market. Along with these measures, pensioners who receive less than 100 pesos will be given an extra 5.

Commander in Chief Fidel Castro stressed that these are the measures adopted in consideration of the country's economic situation which to a greater or lesser extent affect the people's consumption and expenditures.

Bravo Speaks on ANPP

FL262344 Havana Radio Reloj Network in Spanish 1902 GMT 26 Dec 86

[Text] Commander in Chief Fidel Castro and Army General Raul Castro have received diplomas at the National Assembly of the People's Government [ANPP] now meeting at the Palace of Conventions. The diplomas were also presented to other deputies with 10 years of continuous service in the ANPP, which was created precisely a decade ago.

ANPP President Flavio Bravo then read a document noting that this has been a period of learning, of consolidation of ideas, of testing of procedures, of creation of systems, and of definition of functions. Bravo noted that undoubted achievements have been made during the last 10 years and asserted that the organs of the people's government at the various levels have carried out an intensive economic, administrative, and socio-educational work.

The experience of the past 10 years makes it possible for us to say that the people's government is another of the great victories of the party and the revolution, the bulwark of our democratic institutions and of our ties with the people, according to Bravo in his special address. He indicated that errors, distortions, and negative trends have not been absent in production, services, controls, and other areas of social activity, as pointed out by Fidel.

Bravo concluded his address amid vivas for the 10th anniversary of the people's government, our party, and our commander in chief.

ANPP Stresses Development Plan

FL270013 Havana Radio Reloj Network in Spanish 1904 GMT 26 Dec 86

[Text] A growth in the overall social product of between 1.5 and 2.0 is one of the leading indexes of the state's single economic and social development plan for 1987 presented to the National Assembly of the People's Government [ANPP]. According to the plan, the industrial sector should grow between 2 and 2.5 percent, and non-sugar exports between 3 and 3.5 percent. Among other public consumption and services projects, there are plans to complete the construction of 40,000 housing units. Registration in child care centers should grow between 12 and 12.5 percent, according to the plan, which will be turned over to the Council of State for the introduction of the corresponding modifications in accordance with any needs that might arise.

Rodrigo Garcia Leon, minister president of the State Committee for Finance, stated during the analysis of the plan that it was necessary to make intensive efforts to guarantee the income foreseen for the national budget. During this session, in which Commander in Chief Fidel Castro is actively participating, Deputy Carlos Rafael Rodriguez noted that there is a decisive factor in obtaining the income the budget needs. These factors are the enterprises that are inefficient and have to be subsidized by the state. Julio Garcia Olivera in turn stated that we had to ensure exports and to make a better use of the resources destined for production.

Deputy Maria Griselle Alvarez of Baragua stressed the importance that administrators help to make the working environment agile and dynamic, and stated that plans have to be strictly adhered to.

Castro Joins Economic Debate

FL262255 Havana Radio Reloj Network in Spanish 2202 GMT 26 Dec 86

[Text] The session of the National Assembly of the People's Government [ANPP] has concluded following important remarks by Fidel during the discussion of the bill on the single economic-social development plan for 1987. Our commander in chief referred to the measures that we must take and adopt without affecting the country's development and affecting public consumption as little as possible.

Discussion was completed on the report submitted by the steelworking ministry during the ANPP's morning session. The critical and profound statements made by Fidel at the ANPP can best be summed up in the following phrase: Discouragement and defeatism are the only things that have no room in the minds and hearts of revolutionaries.

The most important thing this coming year and perhaps for a longer period of time will be the difficulties we will have to face because of subjective or objective circumstances and factors that have cropped up and are complicating the country's economic development. This was made clear by the commander in chief during the debate on the state's single development plan for 1987. Fidel emphasized that the deficits might be bigger or smaller, but the important things are the efforts to increase revenues until we have a surplus. He pointed our that radical changes have taken place in the methodology used in preparing the state's budget, with the broad participation of the ministries and people's government.

CASTRO PRAISES ASSEMBLY IN CLOSING SESSION

FL272317 Havana Domestic Service in Spanish 2011 GMT 27 Dec 86

[Speech by President Fidel Castro at closing session of National Assembly of the People's Government, ANPP, in Havana's Palace of Conventions on 27 December -- live]

[Text] Comrades: On an occasion such as this I would give a solemn and prolonged speech. However, yesterday afternoon I spoke extensively on the fundamental questions that we have ahead of us and the tasks that we should complete in 1986 and in the coming years.

Because of this, I do not think it is advisable to divide our attentions between the statements made yesterday and the statements made today and I truly do not believe that we should abuse your attention and patience. In view of this, I will make my speech truly brief.

I think the most important thing is to express, on behalf of all the comrades of the Council of State and myself, the immense honor, the great incentive resulting from the permanent confidence bestowed on you [corrects himself] you bestowed on us. [applause]

I thank you most profoundly on behalf of all the comrades who have been reelected and on behalf of all the comrades who have been elected for the first time. I also think it is necessary to justifiably recognize and convey special congratulations to the numerous comrades who accompanied us for 10 years as members of this National Assembly or accompanied us during the last 5 years.

I can barely distinguish between the new and the previous assembly because yesterday we were all here and everyone in one way or another participated in this final session of the second legislature, which is what I believe the comrade calls it. That was the second and this is the third. We participated in the final session of the second legislature.

Yesterday, many were seated above and today they are seated here. An equal number of those seated here this afternoon are seated above. They completed their tasks and now they will continue meeting their obligations in tasks they have begun as well as tasks which will not be directly linked to the National Assembly but they will always take with them the immense honor of having been members of this truly democratic and revolutionary assembly. [applause]

I say democratic and revolutionary with much emphasis because it is right to say this. The bourgeoisie, with all their divisions, hypocrisy, and with all the politicking that characterizes their system consider themselves to be exclusively democratic, those assemblies or parliaments who emerge from the so-called bourgeois democracy.

As Flavio [Bravo, ANPP president] said or recalled yesterday, many times not even 50 percent of the voters participate in those elections and, on some occasions, not even 40 percent of the voters participate, and sometimes just barely 35 percent of the voters participate in elections. I do not think their method of classes or exploitation of man by man is something that can ever be characterized as democratic.

Who is generally elected in that system? Many times the most demagogic are elected. Many times the most corrupt are elected, those who have more money, more access to mass media to disclose information on themselves and to promote themselves. There the distinct bourgeois sectors dispute among themselves and, occasionally, the pseudorepresentatives of the most humble sectors [hold disputes], because the true representatives of the workers and the poorer sections of the population rarely have an opportunity to participate in those parliaments.

Our system has a truly efficient method of choosing the men and women who represent the people based on the virtue of privilege, social hierarchies, or other factors that have absolutely nothing to do with justice, equality, and democracy.

None of you paid a single cent to become members of our National Assembly. None of you ever aspired to become members or spoke in behalf of being named or elected member of the National Assembly. That is because none of you are seeking glory and you do not come here as demagogues or to politic or defend spurious interests.

It is difficult to create a parliament where the best of our people is represented with such dignity or the best of a people is represented with the dignity our people are received here. [applause]

It is significant and relevant the way in which our people nominate and choose the candidates that will be members or representatives of their districts in the people's government organs, the way in which the basic delegates are elected. The members of the other people's government organs are all elected directly and above all they elect the members of the National Assembly. Something else that should also be taken into account is that 54.7 [percent] of the members of the National Assembly -- the majority -- are delegates chosen and elected directly by the people.

I also want to speak highly of our National Assembly, it is a fact that the ethnic composition of our population is legally and properly represented in our assembly. There is a growing number of youth, a growing number of women, who at this assembly total 34.9 percent. The number of workers directly linked to production and services compose at this assembly 41.6 percent of the members and even more notable is the fact that 56.1 percent of the members are universally graduates. This is very significant because not one intended to make or create a National Assembly composed of university graduates. It was a natural and spontaneous event in electing members to the National Assembly. A large number of them have university degrees and many of them have middle-level education degrees. They have completed 12th or 9th grade. This reflects the capability, level of education, and culture reached by our people and is expressed in the directorate organs. It is because of this that we should also express our great satisfaction with all achievements made and with the integration of this new assembly.

Now at the conclusion of our work and as the 28th anniversary of triumph of the revolution approaches, I believe that we all advance towards our work posts intimately convinced of what we should do and how we should do it in the coming years.

From our discussions during the previous days and the conclusions that were reached yesterday, it is obvious that we have years of difficult work ahead of us. The work will be difficult, complex, but we march on the secure road, the correct road. I should not speak at length on this topic but I have the intimate conviction that this is true and I am sure that you also share the intimate conviction that this is true. [applause]

I have great confidence and assurance and I am sure you also have the same confidence and assurance. I am greatly optimistic and am sure that you share the same optimism. I have great confidence in ourselves and I am sure that you share the same confidence. [applause]

It is no wonder. Our people have accumulated a great collective experience. Our cadres have accumulated great individual experience. It is no wonder. Twenty-eight years of the revolution have passed. A large majority of us have lived through this. An important part of us has developed and grown including that growing group of those born after the triumph of the revolution. It was a very emotional moment this morning to see next to Comrade Severo Aguirre the two youth members of the presidency of the new National Assembly. Above all, it is especially stimulating to see the enormous experience, the enormous maturity, the tireless revolutionary enthusiasm of our people.

I recently had the occassion to see this very clearly when during our tour through Granma Province, it seemed to us at certain times that it was, 1 January of 1959. [applause]

I have heard skeptics say that enthusiats are passengers and I have heard many state theories that it is not the same after the first years of the revolution when the revolution is 10 years old, 20 years old, or 30 years old. Spirits fall. The happiness, enthusiasm, optimism, and expectations are not the same.

After 28 years of revolutionary experience, we can say with absolute certainty, if enthusiasm disappears, it is because something is wrong. [applause] If enthusiasm disappears, it is because at a certain point the process has stopped being revolutionary. And we can say that when there is loyalty to principles, when there is dedication to the people, when the people feel part of the process and assume all the responsibilities inherent in their participation, if the process never deviates from its principles, enthusiasm will never disappear in a revolutionary process. [applause]

I think an enthusiasm more emotional than that experienced on 1 January 1959 is the mature, firm, profound, and conscious enthusiasm of an entire people that has truly lived a historical, revolutionary era. [applause] It is the enthusiasm of the educated people, a cultured people, and a people with a great political culture, profound patriotism, and with an equally profound internationalist spirit with a sense of discipline and organization. And the proof now of our people's maturity, experience, and culture can be seen by the way in which they reacted to the serene, objective, honest, and frank analysis of problems, difficulties, limitations, and tasks.

It can be seen in their profound comprehension. Their cooperation and support are expressed by the immense majority of the population, by more than 90 percent of the population. According to today's events, they have made serious, firm, decisive commitment to work and cooperate very conscientiously with the enormous efforts made by the party and the revolution to resolve problems, advance and develop the country, reach new and more elevated goals and be very aware of the perennial and tireless concern of the party and the revolution over the sacred interests of the population. Above all, they are very aware of the total dedication of the party to the people and that obligates us. It obligates us very much. We should think of this every day, at all hours. If we are doing what we should be doing, and above all, if we are doing, the utmost of what we should be doing, if we are doing things in the most efficient manner, which we are required to do in everything [does not finish sentence].

As I said yesterday, we have the enormous force of the union. We can strike with a single fist. We can march with a single army. It is an immense force, gigantic. It makes all these obstacles seem small. Because of this, today, I once again reiterate my most profound conviction that there is nothing superior to the revolutionary man. [applause] There is nothing superior to Marxist-Leninist principles. There is nothing superior to the socialist system which is constructed in accordance with these principles. There is no honor, there is no glory superior to being a child of a revolutionary people and to being a protagonist in the construction of a society as noble as could be conceived by man.

Fatherland or death, we will win!

GROUPS RALLY IN SUPPORT FOR CASTRO REMARKS

FL271356 Havana Tele-Rebelde Network in Spanish 1200 GMT 27 Dec 86

[Text] Members of the Committees for the Defense of the Revolution [CDR] and the Cuban Federation of Cuban Women [FMC] of Pinar del Rio have supported our commander in Chief Fidel Castro's remarks by holding flash rallies organized in their blocks immediately after he spoke before the National Assembly of the Peoples' Government [ANPP]. In one of the rallies the people from Pinar del Rio asserted that, as Fidel said, discouragement and feelings of failure are the only things that do not have a place in the mind and heart of a revolutionary.

ANPP SESSIONS REELECT CASTRO TO STATE COUNCIL

PA281830 Havana International Service in Spanish 1600 GMT 28 Dec 86

[Text] Fidel Castro, highest Cuban leader, was reelected in Havana as President of the Council of State during the work sessions of the third session of the National Assembly of the People's Government. The 510 deputies also ratified Raul Castro as first vice president of this body. The State Council is composed of one president, one first vice president, five vice presidents, one secretary, and 23 other members.

DOMINICA

OPPOSITION PARTY BREAKS BOYCOTT OVER CHURCH ISSUE

FL300406 Bridgetown CANA in English 2333 GMT 29 Dec 86

[Text] Roseau, Dominica, Dec 29, CANA -- The opposition Dominica Labour Party (DLP) today broke its boycott of parliament to defend itself against charges of communism levelled by government lawmakers.

The opposition came under heavy fire during debate on a bill to incorporate the Christian Union Church.

Most opposition MP's were in Parliament for the final sitting of the house this year, but had refrained from voting or participating in the proceedings apart from asking written questions.

The anti-Communist rhetoric directed against the DLP by the government side forced the opposition to break its silence. After consulting with his colleagues, opposition leader Mike Douglas said the allegations reflected a government bankrupt of ideas and facing hard economic times. He also accused the ruling Dominica Freedom Party (DFP) of recognising only one church -- the Roman Catholic Church, and alleged that evangelical churches were being discriminated against by the government.

Government ministers and senators had claimed that the opposition was anti-religion. The opposition has refused to actively participate in proceedings of the house of assembly since July 1985 in protest against the end of live radio broadcasts.

According to the government side, the opposition spoke today because it was beginning to feel the pinch of the salaries of its MP's being withheld for lack of participation, but the DLP said it wanted to show that the party supported the right to religious worship.

Opposition member Rosie Douglas, brother of the party leader, called on Roman Catholic Bishop Arnold Boghaert to start speaking out on behalf of the poor here.

TRINIDAD AND TOBAGO

TOBAGO EXPECTS FULL INTERNAL POWERS UNDER NAR

FL300358 Bridgetown CANA in English 1747 GMT 27 Dec 86

[Text] Port of Spain, Trinidad, Dec 27, CANA -- Tobago's House of Assembly (THA) believes it will be given full internal self government under the new National Alliance for Reconstruction (NAR) government, according to THE TOBAGO NEWS newspaper.

We are confident that under the new government, we will be given our just rewards, full internal self-government, the latest issue of the paper cites the acting chairman, Jeff Davidson as saying.

I am sure now that we have a new government, those functions which have been illegally withheld from us would be handed over and we will be finally in charge of our own affairs, the paper cited leader of assembly business, Hochoy Charles, as saying at last week's first THA meeting since general elections.

The THA, formerly led by new prime minister, A.N.R. Robinson, and traditionally opposition controlled, fought continuous battles with the former People's National Movement (PNM) administration for more control of affairs on the island, particularly in the area of spending. Former THA chairman, Robinson, handed in his resignation last week following the win of his National Alliance for Reconstruction (NAR) party in general elections on December 15. The THA holds a by-election next year to fill the vacancy of Tobago-born Robinson. Robinson told reporters this week that Tobago could expect to see the powers allocated to it under the THA act fulfilled.

DAILY PAPER HOLDS NAR TO OPEN POLICY PROMISE

F1300411 Bridgetown CANA in English 1447 GMT 29 Dec 86

[Text] Port of Spain, Trinidad, Dec 29, CANA -- THE TRINIDAD GUARDIAN today said it intended to hold the new National Alliance for Reconstruction (NAR) administration to its word to make government more accountable and open up information to the public. The paper said the public needed to know what the new government, which swept to power in December 15 general elections, found in its assessment of the country's assets and liabilities.

The public needs to know what they have found, and we suspect that at this point they are ready to accept bitter medicine, said the paper. THE GUARDIAN asked how much money is in the treasury, the size of the country's foreign debt, the amount of money needed to keep the public service, and for a clear picture of the country's large heavy industry investments in steel, ammonia, urea and methanol in central Trinidad's Point Lisas site. Prime Minister Robinson would do well to answer some of the bitter questions he threw at former leader George Chambers during the election campaign, said the paper. The paper listed numerous questions about government's National Housing Authority (NHA), contracts awarded to corporations and the possibility of a second television station.

Referring to the promised freedom of information act as a priority for the new parliament, THE GUARDIAN said the old policy regarding release of information must be broken with. The new administration has spoken of taking us into a new year of popular government, of rule with the knowledge and consent of the people, said THE GUARDIAN.

This is a worthy and admirable objective, but it cannot be achieved if people are not given all the facts, if they are kept in a state of ignorance, added the paper. Our freedom demands an ongoing knowledge of the truth.